

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 03631 01 OF 02 241152Z

46

ACTION EUR-12

INFO OCT-01 NEA-09 ISO-00 EA-06 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 SAM-01 SIL-01 /109 W

----- 026784

R 241056Z APR 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8734

INFOL ALL EC CAPITALS 583

AMEMBASSY ALGIERS

AMEMBASSY MADRID

AMEMBASSY RABAT

AMEMBASSY TEL AVIV

AMEMBASSY TUNIS

LIMITED OFFICIAL USE SECTION 1 OF 2 EC BRUSSELS 3631

E.O. 11652: N/A

TAGS: ETRD, EEC, MED

SUBJECT: EC MEDITERRANEAN POLICY

REF: A. EC BRUSSELS 9546 (1974) B. EC BRUSSELS 3031

C. EC BRUSSELS 2714 D. EC BRUSSELS 8706 (1974)

E. EC BRUSSELS 2648 F. EC BRUSSELS 9190 (1974)

G. EC BRUSSELS 3382

1. SUMMARY: TALKS BETWEEN THE EC AND ALGERIA HAVE, AS EXPECTED, HIT THE SAME SNAG AS THOSE WITH TUNISIA AND MOROCCO--DEMANDS FOR ADDITIONAL EC AGRICULTURAL CONCESSIONS.

THE EC COUNCIL (AG MINS, APRIL 28) WILL CONSIDER WHAT, IF ANYTHING, MAY BE ADDED TO THE EC'S OFFER. ANOTHER ROUND WITH THE MAGHREB COULD THEN BE EXPECTED TO TAKE PLACE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 03631 01 OF 02 241152Z

IN MAY. PROGRESS BEHIND THE SCENES MAY LEAD TO RE-

SUMPTION OF FORMAL NEGOTIATIONS WITH THE SPANISH IN EARLY SUMMER WHILE THE EC FOREIGN MINISTERS HAVE AGREED THAT THE AGREEMENT WITH ISRAEL WILL ENTER FORCE ON 1 JULY. END SUMMARY.

2. EC/ALGERIA: NEGOTIATIONS BETWEEN THE EUROPEAN COMMUNITY AND ALGERIA WITH A VIEW TO CONCLUSION OF AN AGREEMENT UNDER THE EC'S "GLOBAL" MEDITERRANEAN POLICY TOOK PLACE IN BRUSSELS, APRIL 16-17. (SEE REFS A AND B FOR EARLIER BACKGROUND.) WE HAVE CONTACTED SOURCES IN THE COMMISSION AND UK PERMDEL WHO ADVISE THAT, AS EXPECTED, AGRICULTURAL ISSUES DOMINATED THE SESSION. ALGERIA, LIKE TUNISIA AND MOROCCO, RECENTLY PRESENTED A LENGTHY LIST OF ADDITIONAL REQUESTS. THE REQUESTS INCLUDE MAINTENANCE OF THE STATUS QUO FOR EXPORTS OF CERTAIN AGRICULTURAL PRODUCTS TO FRANCE (I.E. ARTICLE 227 AND "PROTOCOL ON GOODS ORIGINATING...", ROME TREATY) ALONG WITH EVENTUAL BROADENING OF THESE CONCESSIONS TO THE EC AS A WHOLE. THEY HAVE ALSO ASKED FOR 100 PERCENT TARIFF REDUCTION ON ORANGES, CLAIMING THEY MUST HAVE AT LEAST A 40 PERCENT ADVANTAGE OVER ISRAEL. ALGERIA IS PARTICULARLY KEEN TO SECURE GREATER ACCESS FOR ITS WINE AND REPORTEDLY WANTS TO DISPOSE OF 1.5 TO 2 MILLION HEDTOLITRES PER YEAR IN THE COMMUNITY. IN ADDITION, ALGERIA, LIKE TUNISIA AND MOROCCO, IS PRESSING FOR CUMULATIVE RULES OF ORIGIN FOR MAGHREB INDUSTRIAL AND AGRICULTURAL EXPORTS TO THE EC. FINALLY, THOUGH NOT LINKED DIRECTLY TO THE CURRENT NEGOTIATIONS, THE TWO SIDES DISCUSSED AN EXCHANGE OF LETTERS REGARDING NEGOTIATION OF LONG TERM AGRICULTURAL CONTRACTS (SEE REF C FOR BACKGROUND).

3. PETROLEUM PRODUCTS: THE EC HAD PREVIOUSLY OFFERED TO PROVIDE ALGERIA A DUTY-FREE CEILING OF 900,000 TONS P.A. FOR ITS EXPORTS OF REFINED PETROLEUM PRODUCTS, PLUS A COMMITMENT NOT TO INTRODUCE DUTIES ON OVER-CEILING EXPORTS TO THE EC PROVIDED ALGERIA MAINTAINS TRADITIONAL (I.E. 1974) LEVELS OF CRUDE EXPORTS TO THE COMMUNITY (SEE REFTEL D FOR ADDITIONAL BACKGROUND). ALGERIA, HOWEVER, WANTS THE NOMINAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 03631 01 OF 02 241152Z

CEILING RAISED TO 1.5 MILLION TONS P.A. WITHOUT ANY LINKAGE TO EXPORTS OF CRUDE. THE TWO SIDES ARE NOT TRYING TO AGREE ON AN EXCHANGE OF LETTERS DEALING WITH THIS ISSUE.

4. NON-DISCRIMINATION CLAUSE (ARAB BOYCOTT): BOTH SIDES HAVE VERY STRONG VIEWS CONCERNING THIS ELEMENT OF THE PROSPECTIVE ACCORD. THE ALGERIANS SAY THAT

THEY ARE IN EFFECT "AT WAR" WITH ISRAEL AND CANNOT ACCEPT RESTRICTIONS ON THEIR ABILITY TO PARTICIPATE IN THE ARAB BOYCOTT. THE EC HOWEVER CONSIDERS THE QUESTION OF DISCRIMINATORY TREATMENT AMONGST MEMBER STATES "NON-NEGOTIABLE" AND ALSO WANTS THE CLAUSE TO COVER INDIVIDUAL ENTERPRISES. OUR COMMISSION SOURCE SAID THAT HE WAS PERSONALLY OPTIMISTIC THAT APPROPRIATE LANGUAGE COULD EVENTUALLY BE WORKED OUT, PROBABLY ALONG THE LINES OF THAT CONTAINED IN THE EXCHANGE OF LETTERS ON THE SUBJECT INCLUDED IN THE EXISTING EC/EGYPT AGREEMENT.

5. RECIPROCITY: OUR UK PERMDEL SOURCE SAID THAT THE ALGERIANS TAKE THE SAME GENERAL LINE AS TUNISIA AND MOROCCO--I.E. NO CONTRACTUAL TRADE RECIPROCITY NOW, BUT THE OPPORTUNITY TO REVIEW THE SITUATION LATER (I.E. AFTER 1978; REF B). INDEED, SAID THE ENGLISHMAN, THE ALGERIANS, HAVE ENTITLED THEIR WORKING DOCUMENT ON THE SUBJECT "NON-RECIPROCITY" INSTEAD OF "RECIPROCITY", THE TITLE USED BY TUNISIA AND MOROCCO.

6. OTHER ISSUES: ALGERIA CONTINUES TO INSIST ON OBTAINING BROADER ACCESS TO THE RESOURCES OF THE EUROPEAN INVESTMENT BANK, BUT THERE IS LITTLE LIKELIHOOD OF SUCCESS WE ARE TOLD. ON THE OTHER HAND, THE ALGERIAN REQUEST THAT THE ALREADY AGREED UPON FINANCIAL ASSISTANCE CONTAINED IN THE PROPOSED ACCORD BY CALCULATED FROM DATE OF SIGNATURE RATHER THAN ENTRY INTO FORCE HAS A BETTER CHANCE OF BEING ACCEPTED. SOME DETAILS ON THE MIGRANT WORKER PROBLEM REMAIN TO BE WORKED OUT BUT THIS IS NOT SEEN AS AN OBSTACLE.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 EC BRU 03631 02 OF 02 241201Z

46

ACTION EUR-12

INFO OCT-01 NEA-09 ISO-00 EA-06 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 SIL-01 SAM-01 /109 W

----- 026948

R 241056Z APR 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8735

INFO ALL EC CAPITALS 584

AMEMBASSY ALGIERS

AMEMBASSY MADRID

AMEMBASSY RABAT

AMEMBASSY TEL AVIV

AMEMBASSY TUNIS

LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 3631

7. QUO VADIS? THE COUNCIL OF AGRICULTURAL MINISTERS (APRIL 28-29) IS EXPECTED TO REVIEW THE SITUATION REGARDING THE MAGHREB REQUESTS BUT THEY ARE NOT EXPECTED TO BE ABLE TO AGREE ON MUCH IN THE WAY OF SIGNIFICANT NEW EC CONCESSIONS. (THE COUNCIL WILL ALSO DISCUSS THE EC MINIMUM IMPORT PRICE SYSTEM ON PROCESSED FRUITS AND VEGETABLES (REF E)--A KEY ELEMENT IN THE EC AGRICULTURAL PREFERENCES FOR THE MAGHREB.) OUR UK PERMDEL SOURCE SAYS THAT THE FOREIGN MINISTERS COUNCIL MEETING ON MAY 5-6 WILL ALSO HAVE A LOOK AT WHAT CAN BE DONE TO MOVE THE MAGHREB NEGOTIATIONS ALONG. ASSUMING THE COMMISSION CAN SECURE ADDITIONAL FLEXIBILITY FROM THE COUNCIL(S), OUR SOURCES EXPECT ANOTHER ROUND COULD BE ARRANGED WITH THE MAGHREB FOR MID TO LATE MAY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 03631 02 OF 02 241201Z

8. SPAIN: ACCORDING TO OUR COMMISSION AND UK CONTACT, THERE IS A GOOD CHANCE THAT A NEW ROUND OF TALKS CAN GET UNDERWAY WITH SPAIN IN EARLY SUMMER. IT WILL BE RECALLED (REF F) THAT NEGOTIATIONS FOR A NEW AGREEMENT WITH SPAIN BROKE DOWN OVER THE QUESTION OF INTERIM REVIEW PROCEDURE. THE SPANISH INSISTED THAT THEY BE PERMITTED, IN 1978, TO UNILATERALLY GAUGE WHETHER SUFFICIENT EC AGRICULTURAL CONCESSIONS HAD TAKEN PLACE TO WARRANT CONTINUED SPANISH INDUSTRIAL CONCESSIONS. ACCORDING TO OUR UK SOURCE, THE COMPROMISE THAT APPEARS LIKELY TO PERMIT EARLY RESUMPTION OF THE FORMAL TALKS WOULD ALLOW SPAIN IN 1978 TO UNILATERALLY INVOKE A ONE-YEAR EXTENSION OF THE RUNDOWN ON ITS INDUSTRIAL TARIFFS, TOGETHER WITH THE ADDITIONAL OPTION, BASED ON JOINT EC-SPANISH AGREEMENT, FOR A SECOND ONE YEAR SLOWDOWN. THUS EC INDUSTRIAL EC EXPORTS TO SPAIN COULD CONCEIVABLY NOT

RECEIVE FULL SPANISH CONCESSIONS UNTIL 1983 INSTEAD
OF THE PREVIOUSLY ENVISIONED 1981. OUR CONTACTS IN
BRUSSELS NOTE FAIRLY BROAD SUPPORT FOR THIS COMPROMISE
APPROACH AND EXPECT TALKS WITH THE SPANISH CAN RESUME
SOON.

9. ISRAEL: AS REPORTED REF G, THE EC COUNCIL
(FOREIGN MINISTERS) AT THEIR APRIL 14-15 MEETING
CLEARED THE WAY FOR THE NEW AGREEMENT WITH ISRAEL TO
ENTER INTO FORCE ON JULY 1 NEXT. OUR UK SOURCE NOTED
THAT THIS WILL BE USEFUL PRESSURE ON THE MAGHREB TO
GET ON WITH CONCLUSION OF THEIR OWN NEGOTIATIONS.
MYERSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION, AGRICULTURAL PROGRAMS, AGRICULTURAL POLICIES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU03631
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750144-0060
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750418/aaaaaqcq.tel
Line Count: 236
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 9546, 75 (197B, 75 EC BRUSSELS 3031
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC MEDITERRANEAN POLICY
TAGS: ETRD, XI, XG, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006